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Cimsa

4Q24 results fall short of expectations

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The 4Q24 results and all comparatives include the effects of business combinations (related to the acquisition of shares in Sabanci Building Solutions BV) and the effects of inflation accounting (applying IAS 29 "Financial Reporting in Hyperinflationary Economies"). Unless otherwise stated, data adjusted per these principles has been used in this note.

Cimsa has posted a net loss of TRY 482mn for the parent company in the last quarter of the year, compared to the profit expected by the market. The company had announced a net profit of TRY 1,724mn in 4Q23. It should be recalled that Cimsa recorded a tax expense of TRY 352m in 4Q24 despite a tax income of TRY 715m in 4Q23. Our net profit forecast was TRY 860mn, while the market's average net profit expectation was TRY 819mn. Total net profit for 12M24 reached TRY 2,688mn (12M23: TRY 3,596mn).

Despite high capacity utilization and increased sales volumes, sales revenue increased slightly by 2.1% y-o-y to TRY 8,501mn in 4Q24 due to a weak contribution from exports and international operations (4Q23: TRY 8,327mn) (Şeker Invest: TRY 5,265mn, average market expectation: TRY 6,169mn).

The company recorded a quarterly EBITDA of TRY 944mn in 4Q24 (4Q23: TRY 1.656mn). The quarterly EBITDA margin fell to 11.1% from 19.9% in 4Q24, with an 8.8pp y-o-y deterioration. Our EBITDA estimate had been TRY 1.529mn, while the average market expectation was TRY 1.286mn.

Cimsa has announced the Board of Directors' decision to distribute a gross cash dividend of 63.45237% (TRY 0.6345237/share) starting from April 02, 2025, from its activities of 2024. The cash dividend amount, to be submitted for approval at the General Assembly on March 27, 2025, indicates a gross dividend yield of 1.34% according to the Cimsa stock closing price on February 27, 2025.

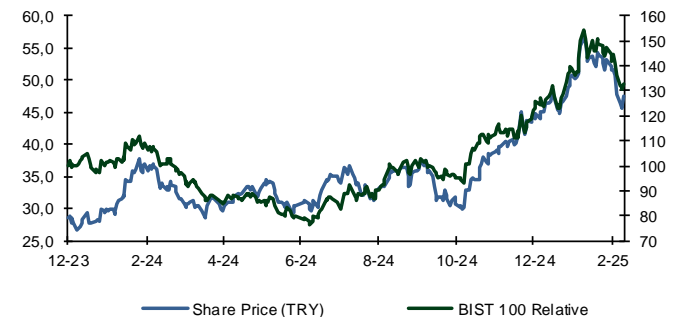
OUTPERFORM
TP: TRY 67.20
Previous TP: TRY 67.20
Upside: 41.8%

	TRY	US\$
Close	47,40	1,24
BIST 100	9.690	266
US\$/TRY (CB Bid Rate):	36,37	
52 Week High:	56,50	1,58
52 Week Low:	28,65	0,87
Bloomberg/Reuters Ticker:	CIMSAT.I / CIMSAT.IS	
Number of Shares (Mn):	946	
	(TRY Mn)	(US\$ Mn)
Current Mcap:	42.589	1.171
Free Float Mcap:	19.165	527

	1 M	YOY	YTD
TRY Return (%):	-19,6	35,9	-3,3
US\$ Return (%):	-21,1	16,1	-6,4
BIST 100 Relative (%):	-16,0	27,1	-1,9
Avg. Daily Vol. (TRY Mn):	417,1		
Avg. Daily Vol. (US\$ Mn):	12,3		

Beta	0,99
Volatility (Stock)	0,43
Volatility (BIST 100)	0,25

Shareholder Structure	%
Sabancı Holding	54,5
Akcansa	9,0
Free Float and others	36,5
Total	100,0



CIMSA stock has posted a return of 18.1% over the previous three months. In terms of returns relative to the BIST100, the stock has outperformed by 16.9% over the period.

Following the 4Q24 financials results, we maintain our 12-month target price of TRY 67.20/share and "Outperform" recommendation for CIMSA. Our target price has 41.8% upside potential compared to the stock's closing price on February 27, 2025.

Figure 1: Financials

TRY Million	YE23	YE24	YoY	4Q23	4Q24	YoY
Revenues	29.604	28.151	-4,9%	8.327	8.501	2,1%
Gross Profit	5.818	6.044	3,9%	1.896	1.384	-27,0%
Gross Profit Margin	19,7%	21,5%		22,8%	16,3%	
EBIT	3.640	3.127	-14,1%	1.150	210	-81,7%
EBIT Margin	12,3%	11,1%		13,8%	2,5%	
EBITDA	5.284	5.086	-3,7%	1.656	944	-43,0%
EBITDA Margin	17,8%	18,1%		19,9%	11,1%	
Net Profit	3.596	2.688	-25,3%	1.724	-482	-128,0%
Net Profit Margin	12,1%	9,5%		20,7%	-5,7%	

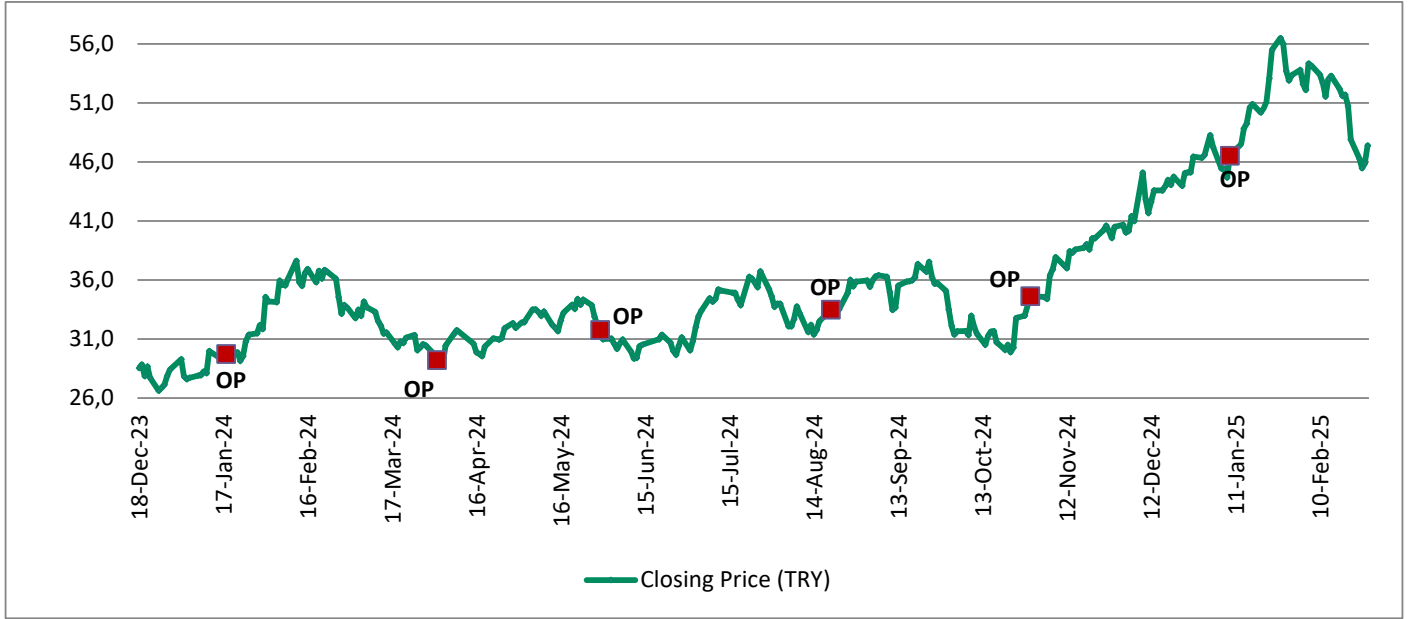
Figure 2: Key financials

BALANCE SHEET (TRY Mn)	2023/12	2024/12	%Chg
PP&E	22.421	28.109	25,4
Intangibles	7.745	13.790	78,1
Other Non-Current Assets	7.806	6.423	(17,7)
Trade Receivables	3.385	5.658	67,1
Cash&Equivalents	9.106	7.687	(15,6)
Other Current Assets	4.959	5.937	19,7
Total Assets	55.421	67.604	22,0
Long Term Debt	7.275	7.619	4,7
Other Non current liabilities	1.496	3.211	114,6
Short Term Debt	5.209	13.871	166,3
Trade Payables	4.619	6.646	43,9
Total Liabilities	21.587	35.567	64,8
Total Equity	33.834	32.037	(5,3)
Total Equity&Liabilities	55.421	67.604	22,0

INCOME STATEMENT (TRY Mn)	2023/12	2024/12	%Chg
Net Sales	29.604	28.151	(4,9)
COGS	23.787	22.106	(7,1)
Gross Profit (Loss)	5.818	6.044	3,9
Operating Expenses	2.177	2.917	34,0
Operating Profit/(Loss)	3.640	3.127	(14,1)
Net Other Ope. Rev./(Exp.)	1.218	419	(65,6)
Financial Expenses	(1.846)	(1.082)	N.M.
Gains (Losses) On Net Monetary Positi	566	1.253	N.M.
Net Investment Activities Profit/(Loss)	600	187	(68,9)
Profit(Loss) From Invst. Val. under Equ	62	-	N.M.
Profit Before Tax (Loss)	4.241	3.905	(7,9)
Tax	(204)	850	517,2
Net Inc./Los. Dis. Oper. Bef. Min. Int.	-	-	N.M.
Net Profit (Loss)	3.596	2.688	(25,3)

Source : Şeker Invest

Historical Recommendations and Target Prices



Date	Rec	Target Price (TRY)
7-Nov-23	Outperform (OP)	38,84
16-Jan-24	Outperform (OP)	41,94
29-Mar-24	Outperform (OP)	41,94
28-May-24	Outperform (OP)	41,94
16-Aug-24	Outperform (OP)	41,94
25-Oct-24	Outperform (OP)	41,94
7-Jan-25	Outperform (OP)	67,20

Basis for 12m equity ratings

Outperform: The total return is expected to exceed the return of the BIST 100 by more than 10%.

Underperform: The total return is expected to fall below the return of the BIST 100 by more than 10%.

Market Perform: The total return is expected to be in line with the return of the BIST 100.

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